



Short-Term Disability

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**Chief Executive Office
Risk Management
Return To Work, STD and LTD Unit**

STD Benefit Options

- The County of Los Angeles (County) established the Short-Term Disability (STD) Plan which offers an income replacement to ill, injured, or pregnant employees who are **MegaFlex Cafeteria Plan participants**.
- The STD Plan offers two benefit options for MegaFlex employees to select from during Annual Enrollment.
 - Core benefit: **This core benefit is provided fee of charge**. It requires a continuous **14-day** waiting period followed by 70% income replacement; or
 - Additional benefit: a continuous **7-day** waiting period followed by 21 calendar days of 100% income replacement, then 80% income replacement for the remainder of the approved STD period.

Application Process

- **To initiate an STD claim, an employee must contact Sedgwick CMS at 1-800-786-8600 or at their website www.sedgwickcms.com/calabasas**
- Claims decisions will be processed within 48 hours of receiving the completed claim.
- **Claims must be filed before the end of the waiting period, or a penalty may apply.**
- If the claim is denied, Sedgwick will supply information on how to appeal.

Duration of Benefits & Waiting Period

- An STD claim may remain open for up to a maximum of 182 calendar days (6 months) from the injured employee's first day of disability. This period includes the mandatory waiting period, partial return-to-work days and substituted leave days.
- “Disability” means an employee is considered unable to perform their usual and customary job or modified job duties for the County.
- It's important to remember the first 7 or 14 days of disability is not covered by STD benefits. The employee may elect to use accrued leave or absent without pay (AWOP).
- The waiting period includes weekends, holidays and any other days off.

Use of Accrued Time During STD

- An employee is not allowed to supplement STD with accrued time.
- An employee has the option to freeze their STD benefit and use accrued time. They may later resume their STD benefit. However, this may only be done once during a claim and the use of accrued time does not extend the 182 calendar day STD period.

Coordination of Benefits

- STD benefits are reduced on a dollar-for-dollar basis by the amount an employee receives from “other benefits” for the same disability.
- Mega I/A (MegaFlex participant with an approved Industrial Accident) is the most common.
- Private benefit plans are excluded.

Mega I/A & STD



Short-Term Disability Benefits and Mega I/A

- Only MegaFlex plan participants will receive Mega I/A temporary disability benefits in connection with an approved Workers' Compensation (WC) claim.
- Mega I/A temporary disability benefits are not taxable.
- Short-Term Disability Benefits are taxable like ordinary income.

Short-Term Disability and Mega I/A

- For an accepted WC injury with lost time, MegaFlex participants are paid the state mandated Temporary Total Disability (TTD) rate ($66 \frac{2}{3}$ of their average weekly wage) by their Department.
- It is possible to have both an accepted WC claim and STD claim running concurrently.
- Total payment for Mega I/A & STD combined, will not exceed the 70% STD benefit calculation, regardless of which STD income replacement option was selected at the time of benefits enrollment.
- $\text{Monthly Salary} \times 70\% = \text{Maximum Combined STD \& Mega I/A benefit}$

Sample Calculation

WC Claim's Examiner Calculation:

- Monthly Salary.....\$6,000.00
 - Average Weekly Wage (AWW).....\$1,384.72
 - Temporary Total Disability Rate (TTD).....\$923.15
 - 4 weeks x \$923.15.....\$3,692.60
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- ✓ Mega I/A benefit to employee..... = **\$3,692.60**

Department Payroll Calculation:

- $\$6,000 \times 70\% \text{ (STD rate)} = \$4,200 - \$3,692.60 = \mathbf{\$507.40}$

Total Mega I/A & STD Benefit payable to Employee:

- ✓ **$\$3,692.60 + \$507.40 = \$4,200 \text{ Total Benefit}$**

Payment Process

- I. Department payroll receives a benefit notice from the WC Third-Party Administrator (TPA) authorizing payment of Mega I/A TTD benefits.
- II. If an STD claim has been filed and accepted, Sedgwick authorizes STD benefits for the same period. Designated department recipients receive the Hybrid report (STD Voucher) from Sedgwick via email.
- III. Payroll calculates and coordinates payment of Mega I/A & STD benefits.
- IV. Payment is issued to the employee on regular paydays like a regular paycheck, i.e. with County health plan contributions.

Payment Process

- If the Mega I/A benefit (182-day period) is exhausted and the employee continues to be disabled, it is the responsibility of the WC TPA to monitor when that benefit ends. At that time, the WC TPA will determine whether to initiate additional TTD benefits. These additional benefits are not paid through County payroll.
- **Note:** If there is a full-time return to work of more than 29 calendar days during the first 182-day period, and the employee goes off work again due to the same disability, the employee may be eligible for a new 182-day Mega I/A period.

Short-Term Disability Transition to Long-Term Disability

- Should the disability period exceed the maximum STD benefit period, the employee may also qualify for Long-Term Disability (LTD) benefits.
- LTD benefit applications may be sent to STD recipients by Sedgwick after four months of continuous absence due to an approved disability.

resources & Contact information

Additional STD Information is available on the
Chief Executive Office Return To Work Website
at:

http://ceo.lacounty.gov/RTW/rtw_default.htm#none

Sedgwick's STD Specialist:
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Questions?

